



Mr. Rajesh Kumar Sethi
Chair, CDM Executive Board

UNFCCC Secretariat
CDMinfo@unfccc.int

6 August 2008

Re: Request for review of the request for issuance for the CDM project activity 'N₂O decomposition project of Henan Shenma Nylon Chemical Co., Ltd' (Ref. No. 1083)

Dear Mr. Sethi,

SGS has been informed that the request for issuance for the CDM project activity 'N₂O decomposition project of Henan Shenma Nylon Chemical Co., Ltd' (UNFCCC Ref. No. 1083) is under consideration for review because four requests for review have been received from members of the Board.

The requests for review are based on the reason as outlined below. Through this letter we would like to comment on the reason for review and provide additional information.

Requests for review 1-4, Issue 1:

The AdOH production was calculated based on the measured AHS production and a factor of 0.557 as ratio of AdOH/AHS. Although this was verified by the DOE in NIR03 (New Information Request) as conservative, this is not in accordance with the registered monitoring plan which requires AdOH production to be sourced from the "production record of AdOH" and "measured by the measuring equipment". Further clarification is required on how the DOE verified AdOH production in line with the registered monitoring plan.

SGS' response:

As clarified in Appendix 6 of the Monitoring Report (MR) and in Section 3.2.4 & NIR03 of SGS Verification Report (VR), in Henan Shenma Nylon Chemical Co., Ltd, AdOH slurry is directly fed into the AHS production process, where AHS production can be accurately measured but AdOH can not be directly measured in a reliable manner. P_AdOH in this project is therefore from the measured AHS production multiplied by the constant ratio 0.557(AdOH/AHS), of which the appropriateness and conservativeness has been substantiated from the view of process design and stoichiometry as well, and P_AdOH is recorded in an Excel workbook as AdOH production record.

Also, having a precedence i.e (PA No. 0116) as mentioned in PP's comments, which has a similar situation as in Shenma project, for which (PA No.0116) CERs have been issued for several monitoring periods in the past, SGS considered that this approach is acceptable to the CDM Executive Board.



We hope that this letter addresses the concerns of the Board. If further information is required, Qi Yang (qi.yang@sgs.com; +86 13916512072) will be the contact person for the request for review process and is available to address questions from the Board in case the Executive Board wishes.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Qi Yang'.

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Enclosed:

1. PP initial comments
2. Annex 1 to PP initial comments
3. Annex 2 to PP initial comments